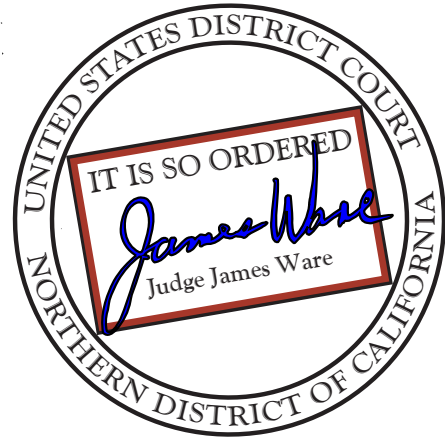


1 JON P. NEUSTADTER (State Bar No. 172348)
2 **HOOPER, LUNDY & BOOKMAN, INC.**
3 1875 Century Park East, Suite 1600
4 Los Angeles, California 90067-2517
5 Telephone: (310) 551-8151
6 Facsimile: (310) 551-8181
7 E-Mail: Jneustadter@health-law.com

8 Attorneys for Plaintiff



9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN JOSE DIVISION**

12 **COMMUNITY HOSPITAL OF THE**
13 **MONTEREY PENINSULA,**

14 Plaintiff,

15 vs.

16 **MICHAEL O. LEAVITT, Secretary of**
17 **the United States Department of Health**
18 **and Human Services,**

19 Defendant.

CASE NO. C 06-3302 JW RS

JOINT STATUS REPORT AND
REQUEST TO CONTINUE STATUS
CONFERENCE

Date: July 23, 2007

Time: 10 a.m.

Court: Courtroom 8, 4th Floor

20 Pursuant to the Court's March 15, 2007 Order, the parties to the above-
21 entitled action jointly submit this Status Report.

22 The Complaint in this case was filed on May 19, 2006, and the Defendant
23 answered on October 30, 2006. On December 8, 2006, the parties submitted a Joint
24 Case Management Statement that informed the Court that issues similar to those
25 being addressed in this action are being addressed in a case currently pending in the
26 U.S. District Court for the District of Columbia. The D.C. District Court case is
27 entitled *In Re Medicare Reimbursement Litigation*, Case No. 1:03-mc-90. Pursuant
28 to the parties' Joint Case Management Statement, the Court vacated the December
18, 2006 Case Management Conference and scheduled a March 19, 2007 Status

HOOPER, LUNDY & BOOKMAN, INC.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067-2517
TEL: (310) 551-8111 • FAX: (310) 551-8181

1 Conference with a Joint Status Report due to the Court by March 9, 2007.

2 The parties filed a Joint Status Report on March 8, 2007 that again advised
3 the Court that settlement discussions were ongoing in the *In Re Medicare* case and
4 that this case will possibly be a part of any such settlement. The Court granted the
5 parties request for continuance of the March 19, 2007 status conference to July 23,
6 2007.

7 The purpose of this Joint Status Report is to inform the Court of the status of
8 settlement negotiations in the *In Re Medicare* case, because, if such negotiations are
9 successful, they may affect the resolution of the above-captioned action. Significant
10 progress has been made in the settlement discussions since the parties' March 8,
11 2007 Joint Case Management Statement. The parties to the *In Re Medicare* case
12 have reached an agreement in principle that expressly incorporates this case. If that
13 agreement in principle is finalized, this case will be dismissed with prejudice
14 without the need for any litigation or use of court resources. Although hard to
15 predict, the settlement process might be successfully and formally concluded within
16 two to four months from today. The reason the settlement process is taking
17 significant time is that the negotiations involve hundreds of hospitals and, given the
18 amounts at issue, the approval process requires input from the highest levels within
19 the United States Departments of Justice and Health and Human Services.

20 Therefore, the parties respectfully request that the Court continue any and all
21 deadlines in this case for at least four months. Given the likelihood of finalizing the
22 current settlement in principle of the *In Re Medicare* case and the likelihood that this
23 case therefore need not be litigated, the parties request that the Court continue the
24 Status Conference to November 26, 2007. The parties also request that the Court
25 order the parties to submit another Joint Status Report on or before November 16,
26 2007 in order to report on the status of the *In Re Medicare* case.

HOOPER, LUNDY & BOOKMAN, INC.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067-2517
TEL: (310) 551-8111 • FAX: (310) 551-8181

1 If the Court does not continue the Status Conference, then, pursuant to Local
2 Rule 16-10(a), Plaintiff requests to appear telephonically.

3
4 DATED: July 12, 2007

SCOT N. SCHOOLS
United States Attorney

5
6 By: /s/
7 STEVEN J. SALTIEL
8 Assistant United States Attorney
9 Attorney for Defendant

10 DATED: July 12, 2007

HOOPER, LUNDY & BOOKMAN, INC.

11
12 By: /s/
13 JON P. NEUSTADTER
14 Attorneys for Plaintiff
15
16
17
18
19
20
21
22
23
24
25
26
27
28

HOOPER, LUNDY & BOOKMAN, INC.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067-2517
TEL: (310) 551-8111 • FAX: (310) 551-8181

~~[PROPOSED]~~ ORDER

A Status Conference in this matter was scheduled for July 23, 2007 at 10 AM.

Pursuant to the parties' Joint Status Report, the Court CONTINUES the Status

Conference to **Monday**, November 26, 2007 at 10 AM. The parties shall

submit a joint status report by **Friday**, November 16, 2007.

This is the parties' last continuance. Plaintiff's counsel is on notice that the Court cannot accommodate telephonic appearances.

Dated: July 17, 2007


JAMES WARE

United States District Judge

HOOPER, LUNDY & BOOKMAN, INC.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067-2517
TEL: (310) 551-8111 • FAX: (310) 551-8181

PROOF OF SERVICE**STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 1875 Century Park East, Suite 1600, Los Angeles, California 90067-2517.

On July 12, 2007, I served the following document(s) described as **JOINT CASE MANAGEMENT STATEMENT** on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

Kevin V. Ryan, Esq.
United States Attorney
Joann M. Swanson
Chief, Civil Division
Steve J. Saltiel
Assistant United States Attorney
450 Golden Gate Ave., Box 36055
San Francisco, CA 94102

Jonathan P. Neustadter, Esq.
Hooper, Lundy & Bookman
1875 Century Park East, 16th Fl.
Los Angeles, CA 90067

BY MAIL: I am "readily familiar" with Hooper, Lundy & Bookman's practice for collecting and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such envelope(s) were placed for collection and mailing with postage thereon fully prepaid at Los Angeles, California, on that same day following ordinary business practices.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on July 12, 2007, at Los Angeles, California.

/s/
Jodee Jones

HOOPER, LUNDY & BOOKMAN, INC.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067-2517
TEL: (310) 551-8111 • FAX: (310) 551-8181